

In light of concerns raised by Congress over state funding of the Medicaid program, we ask that you provide the following information for each of the non-institutional services reimbursed pursuant to a methodology described in Attachment 4.19B of the State Plan.

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by states for services under the approved State Plan. To ensure that program dollars are used only to pay for Medicaid services, we are asking states to confirm to CMS that the Contracted Entity retains 100 percent of the payments. Does the Contracted Entity retain all of the Medicaid payments and does not participate in such activities as intergovernmental transfers or certified public expenditure payments, including the Federal and State share, or is any portion of any payment returned to the State, local governmental entity, or any other intermediary organization? If the Contracted Entity is required to return any portion of any payment, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (ie, general fund, medical services account, etc.)

*The Contracted Entities retain 100% of the payment.*

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in the lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of the Medicaid payment for the Contracted Entity is funded. Please describe whether the state share is from appropriations from the legislature, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Please provide an estimate of total expenditures and State share amounts for the Medicaid payment. If any of the state share is being provided through the use local funds using IGTs or CPEs, please fully describe the matching arrangement. If CPEs are used, please describe how the state verifies that the expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b).

*The state share is funded state general revenues appropriated by the Legislature.*

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to the Contracted Entity.

*There are no supplemental or enhanced payment made to the Contracted Entity.*

4. Do any capitation payments to the Contracted Entity exceed the amount certified as actuarially sound as required under 42 CFR 438.6(c)? If so, does the State recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

*No Capitation payments exceed the amount certified as actuarially sound.*